

SERFF Tracking Number:	ZURC-125300364	State:	Arkansas
Filing Company:	Assurance Company of America	State Tracking Number:	AR-PC-07-026249
Company Tracking Number:	CW IM 26586		
TOI:	09.0 Inland Marine	Sub-TOI:	09.0005 Other Commercial Inland Marine
Product Name:	CW IM 26586 Revised HBIS endts		
Project Name/Number:	/		

Filing at a Glance

Company: Assurance Company of America

Product Name: CW IM 26586 Revised HBIS endts

TOI: 09.0 Inland Marine

Sub-TOI: 09.0005 Other Commercial Inland Marine

Filing Type: Form

SERFF Tr Num: ZURC-125300364 State: Arkansas

SERFF Status: Closed

Co Tr Num: CW IM 26586

Co Status: Not Applicable

Author: Dannielle Curry

Date Submitted: 09/28/2007

State Tr Num: AR-PC-07-026249

State Status:

Reviewer(s): Betty Montesi,
Llyweyia Rawlins, Brittany Yielding

Disposition Date: 10/04/2007

Disposition Status: Approved

Effective Date (New): 10/01/2007

Effective Date (Renewal):
10/01/2007

Effective Date Requested (New): 10/01/2007

Effective Date Requested (Renewal): 10/01/2007

General Information

Project Name:

Project Number:

Reference Organization:

Reference Title:

Filing Status Changed: 10/04/2007

State Status Changed: 09/28/2007

Corresponding Filing Tracking Number:

Filing Description:

Filing revised version of HBIS37 and file new related endorsement HBIS79

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Company and Contact

Filing Contact Information

Dannielle Curry, Filing Analyst

1400 American Lane

dannielle.curry@zurichna.com

(847) 706-2411 [Phone]

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Schaumburg, IL 60196

(847) 605-7768[FAX]

Filing Company Information

Assurance Company of America

1400 American Lane

Schaumburg, IL 60196

(847) 605-6000 ext. [Phone]

CoCode: 19305

Group Code: 212

Group Name:

FEIN Number: 13-6081895

State of Domicile: New York

Company Type:

State ID Number:

SERFF Tracking Number: ZURC-125300364

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Filing Fees

Fee Required? Yes

Fee Amount: \$50.00

Retaliatory? No

Fee Explanation:

Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Assurance Company of America	\$50.00	09/28/2007	15860027

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	10/04/2007	10/04/2007

SERFF Tracking Number: *ZURC-125300364*

State: *Arkansas*

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TOI: *09.0 Inland Marine*

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Product Name: *CW IM 26586 Revised HBIS endts*

Project Name/Number: */*

Disposition

Disposition Date: 10/04/2007

Effective Date (New): 10/01/2007

Effective Date (Renewal): 10/01/2007

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	ZURC-125300364	State:	Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	explanatory memorandum	Approved	Yes
Form	Remodeler Coverage	Approved	Yes
Form	Remodelers Non Reporting Endorsement	Approved	Yes

SERFF Tracking Number: ZURC-125300364 State: Arkansas

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TOI: 09.0 Inland Marine Sub-TOI: 09.0005 Other Commercial Inland Marine

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Remodeler Coverage	HBIS-37	09-07	Endorsement/Amendment/Conditions Replaced	Replaced Form #: HBIS-37 (01-00) Previous Filing #:	0.00	HBIS-37 ed 09-07.pdf
Approved	Remodelers Non Reporting Endorsement	HBIS-79	09-07	Endorsement/Amendment/Conditions New		0.00	HBIS-79 ed.09-07.pdf

REMODELER COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Builder's Risk Coverage Form Commercial Inland Marine Conditions

I. Changes to the Builder's Risk Coverage Form

A. COVERAGE

1. COVERED PROPERTY in Section A. COVERAGE is amended to include described *existing buildings or structures* as shown in the Declarations to which *renovations and improvements* are being made.
2. Paragraph 2.a. in Section A. COVERAGE is deleted.

B. LIMITS OF INSURANCE

With respect to the insurance provided by this endorsement, Section C. LIMITS OF INSURANCE is replaced by the following:

C. LIMITS OF INSURANCE

The most we will pay for *loss to existing buildings or structures*, is the Existing Buildings or Structures Limit shown in the Declarations. The most we will pay for *loss to renovations and improvements* is the Renovations and Improvements Limit shown in the Declarations.

C. ADDITIONAL CONDITIONS

1. With respect to the insurance provided by this endorsement, Paragraph 6. VALUATION in Section E. ADDITIONAL CONDITIONS is replaced by the following:

6. VALUATION

In the event of *loss*, the value of the property will be determined as of the time of *loss*.

- a. The value of *existing buildings or structures* will be *actual cash value*.
- b. The value of the *renovations and improvements* will be the lesser of the cost to repair or the cost to replace with comparable type and quality to the same point of completion that had been achieved immediately before the *loss*.

2. With respect to the insurance provided by the endorsement, the following is added:

ONGOING CONSTRUCTION ACTIVITY

During the policy period when no *construction activity* has been performed within 60 consecutive days before the *loss* or damage occurs:

- a. We will not pay for any *loss* or damage caused by any of the following even if they are Covered Causes of Loss:
 - (1) Vandalism;
 - (2) Sprinkler leakage, unless you have protected the system against freezing;
 - (3) Building glass damage;
 - (4) *Water damage*;
 - (5) Theft; or
 - (6) Attempted theft.
- b. With respect to Covered Causes of Loss other than those listed in (1) through (6) above, we will reduce the amount we would otherwise pay for the *loss* or damage by 15%.

D. DEFINITIONS

With respect to the insurance provided by this endorsement, the following are added to Section F. DEFINITIONS:

Actual Cash Value means the cost to repair or replace the lost or damaged Covered Property reduced by each of the following:

- a. Physical deterioration;
- b. Depreciation;
- c. Obsolescence;
- d. Depletion;
- e. Non-conformity to codes, regulations, or statutes; and
- f. The cost to reconstruct or remodel undamaged portions of property.

But in no event will *Actual Cash Value* be more than the market value of the property excluding land as determined by the price which the property excluding land might be expected to realize prior to *loss* or damage if offered for sale in a fair market on the date of the *loss* or damage.

Construction Activity means repair, replacement, or installation, including cleaning and painting.

Existing Buildings or Structures means a building or structure that was constructed and standing prior to the inception of this policy and that will undergo renovation or rehabilitation. *Existing Buildings or Structures* only includes those parts of standing buildings or structures that are intended to become a permanent part of buildings or structures during renovation or rehabilitation. This does not include *renovations and improvements*.

Renovations and Improvements means your additions, alterations, improvements or repairs to the Property Location specified in the Declarations including materials and supplies, attachments, and fixtures which have been installed, or will be installed in the *existing buildings or structures*. This does not include *existing buildings or structures*.

Remodelers Total Estimated Completed Value means the *actual cash value* of the *existing buildings or structures*, plus the estimated cost of your *renovations and improvements* at the conclusion of the project. This does not include overhead or profit.

II. **Changes to Commercial Inland Marine Conditions**

With respect to the insurance provided by this endorsement, Paragraph **F. Valuation** of **GENERAL CONDITIONS** does not apply.

REMODELERS NON REPORTING ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Builder's Risk Coverage Form

I. Section E. ADDITIONAL CONDITIONS is amended as follows:

A. Subparagraph 3.e. in WHEN COVERAGE BEGINS AND ENDS is replaced by the following:

e. Upon expiration of the policy period.

B. Paragraph 4. REPORTING PROVISIONS is deleted.

C. Paragraph 7. WAIVER OF COINSURANCE is deleted.

D. Paragraph 8. COINSURANCE is replaced by the following:

8. COINSURANCE

If the sum of the Renovations and Improvements limit of insurance plus the Existing Buildings or Structures limit of insurance is less than the *remodelers total estimated completed value* of the property insured, you will bear a portion of any *loss*. The amount we will pay is determined by the following steps:

- a. Add the Renovations and Improvements limit of insurance to the Existing Buildings or Structures limit of insurance and then divide the sum by the *remodelers total estimated completed value* of the Covered Property;
- b. Multiply the amount of the covered *loss*, before the application of any deductible, by the percentage determined in step "a";
- c. Subtract the deductible from the figure determined in "b".

Coinsurance Example No. 1

(This example assumes there is no penalty for underinsurance)

Renovations and Improvements Limit	\$200,000
Existing Buildings or Structures Limit	\$100,000
<i>Remodelers Total Estimated Completed Value</i>	\$300,000
Deductible	\$1,000
Amount of <i>renovations and improvements</i> covered <i>loss</i>	\$50,000

Amount of *existing buildings or structures* covered *loss* \$40,000

Step 1. Add the Renovations and Improvements Limit and the
Existing Buildings or Structures Limit
 $\$200,000 + \$100,000 = \$300,000$

Step 2. Divide the sum from step 1 by the *Remodelers Total
Estimated Completed Value*
 $\$300,000/\$300,000 = 100\%$

Step 3. Multiply the amount of covered *loss* by the percentage
determined in step 2
 $\$50,000 + \$40,000 = \$90,000 \times 100\% = \$90,000$

Step 4. Subtract the deductible from the amount of covered *loss*
 $\$90,000 - \$1,000 = \$89,000$

Total amount of *loss* payable = \$89,000.

Coininsurance Example No. 2

(This example assumes there is a penalty for underinsurance)

Renovations and Improvements Limit \$200,000

Existing Buildings or Structures Limit \$50,000

Remodelers Total Estimated Completed Value \$300,000

Deductible \$1,000

Amount of *renovations and improvements* covered *loss* \$50,000

Amount of *existing buildings or structures* covered *loss* \$40,000

Step 1. Add the Renovations and Improvements Limit and the
Existing Buildings or Structures Limit
 $\$200,000 + \$50,000 = \$250,000$

Step 2. Divide the sum from step 1 by the *Remodelers Total
Estimated Completed Value*
 $\$250,000/\$300,000 = 83\%$

Step 3. Multiply the amount of covered *loss* by the percentage
determined in step 2
 $\$50,000 + \$40,000 = \$90,000 \times 83\% = \$74,700$

Step 4. Subtract the deductible from the amount of covered *loss*
 $\$74,700 - \$1,000 = \$73,700$

Total amount of *loss* payable = \$73,700.

E. Subparagraph 9.a. CANCELLATION is deleted.

II. For purposes of this endorsement, the following is added to Section F. DEFINITIONS:

Actual Cash Value means the cost to repair or replace the lost or damaged Covered Property reduced by each of the following:

- a. Physical deterioration;
- b. Depreciation;
- c. Obsolescence;
- d. Depletion;
- e. Non-conformity to codes, regulations, or statutes; and
- f. The cost to reconstruct or remodel undamaged portions of property.

But in no event will *Actual Cash Value* be more than the market value of the property excluding land as determined by the price which the property excluding land might be expected to realize prior to *loss* or damage if offered for sale in a fair market on the date of the *loss* or damage.

Existing Buildings or Structures means a building or structure that was constructed and standing prior to the inception of this policy and that will undergo renovation or rehabilitation. *Existing Buildings or Structures* only includes those parts of standing buildings or structures that are intended to become a permanent part of buildings or structures during renovation or rehabilitation. This does not include *renovations and improvements*.

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Product Name: *CW IM 26586 Revised HBIS endts*

Project Name/Number: */*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: ZURC-125300364

State: Arkansas

Filing Company: Assurance Company of America

State Tracking Number: AR-PC-07-026249

Company Tracking Number: CW IM 26586

TOI: 09.0 Inland Marine

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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty

Review Status:

Approved 10/04/2007

Comments:

Attachment:

AR industry_rates_PCtransDoc_intelligent.pdf

Satisfied -Name: explanatory memorandum

Review Status:

Approved 10/04/2007

Comments:

Attachment:

BR Remodelers Explanatory Memorandum 9-2007.pdf

Property & Casualty Transmittal Document

Reset Form

**1. Reserved for Insurance
Dept. Use Only****2. Insurance Department Use only**

- a. Date the filing is received:
- b. Analyst:
- c. Disposition:
- d. Date of disposition of the filing:
- e. Effective date of filing:
- | | |
|------------------|--|
| New Business | |
| Renewal Business | |
- f. State Filing #:
- g. SERFF Filing #:
- h. Subject Codes

3. Group Name	Zurich North America				Group NAIC #	212-
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #		
Assurance Company Of America	New York	212-19305	13-6081895			

5. Company Tracking Number	CW IM 26586
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Dannielle Curry	Filing Analyst	847-706-2411	847-605-7768	dannielle.curry@zurichna.com
7. Signature of authorized filer				
8. Please print name of authorized filer		Dannielle Curry		

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	09.0 Inland Marine
10. Sub-Type of Insurance (Sub-TOI)	09.0005 Other Commercial Inland Marine
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	0.9
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 10-01-2007 Renewal: 10-01-2007
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	N/A
17. Reference Organization # & Title	N/A
18. Company's Date of Filing	09-27-2007
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking # CW IM 26586

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

These optional endorsements are being filed for use in conjunction with the Builders Risk Coverage Form 40471 Rev. 11-00 to extend coverage for an existing building that is being remodeled. The HBIS-37 ed. 09-07 is an update of HBIS-37 Rev. 01-00 and the HBIS-79 ed. 09-07 is new. These endorsements are used on new business.

[View Complete Filing Description](#)

22. Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #:
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
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☐ Rate Increase
 ☐ Rate Decrease
 ☐ Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	
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4a.	Rate Change by Company (As Proposed)
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

4b.	Rate Change by Company (As Accepted) For State Use Only
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5.	Overall Rate Information (Complete for Multiple Company Filings only)
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		COMPANY USE	STATE USE
5a	Overall percentage rate indication (when applicable)		
5b	Overall percentage rate impact for this filing		
5c	Effect of Rate Filing – Written premium change for this program		
5d	Effect of Rate Filing – Number of policyholders affected		

6.	Overall percentage of last rate revision	
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7.	Effective Date of last rate revision	
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

Explanatory Memorandum

Remodelers Coverage HBIS-37 ed. 9-07

Remodelers non reporting endorsement HBIS -79 ed. 9-07

These optional endorsements are being filed for use in conjunction with the Builders Risk Coverage Form 40471 Rev. 11-2002 to extend coverage for an existing building that is being remodeled. The HBIS-37 ed. 9-07 is an update of HBIS-37 Rev. 01-2000 and the HBIS-79 ed. 9-07 is new. These endorsements are used on new business.

The revised HBIS 37 and the new HBIS 79:

- split the formerly single coverage limit of insurance into a limit for existing structure and a limit for renovations and improvements.
- contain clearer valuation language for both limits than in the previous HBIS 37 Rev. 01-2000 endorsement
- include a new provision that reduces scope of coverage to a level for vacant buildings when there has been no ongoing construction activity for more than 60 consecutive days during the policy period. Coverage returns to original scope when construction activity resumes.

There is no renewal impact of these changes since remodelers coverage under Builders Risk is written for the term of the project. These endorsements will be used on new business only.